



TTAA Legislative & Regulatory Update

September 8, 2025

Legislative Affairs Update

Congress faces a September 30 deadline to avoid a government shutdown, but time is limited with lawmakers set to recess the week of September 22. So far, the House has passed three appropriations bills and the Senate two, leaving most of the 12 required bills unfinished. An omnibus won't be ready, so a short-term continuing resolution (CR) is the most likely option.

Appropriators prefer passing new funding bills over another year-long CR, but tensions with the White House—especially over unilateral spending cuts—are adding friction. Democrats hold leverage in the Senate, where 60 votes are required. They are reluctant to allow a shutdown but may press for policy priorities, such as extending ACA tax credits, in exchange for supporting a CR.

This week, the House will debate the nearly \$900 billion defense authorization bill and vote on the Stop Illegal Entry Act, while the Senate works to finish its version of the defense bill and may change rules to speed up nominations. Committees will also be active, with hearings on banking policy, permitting reform, and vaccine oversight, as well as final markups of House appropriations bills.

White House Updates on Tariffs and Japan

Announcement from the White House:

Fact Sheet: A Historic U.S.-Japan Framework Agreement

A NEW ERA OF U.S.-JAPAN TRADE RELATIONS: Yesterday, President Donald J. Trump signed an Executive Order implementing the framework agreement between the United States and Japan that he announced on July 22, 2025.

- The framework agreement provides American producers and manufacturers well over \$15 billion of unprecedented access to Japanese markets while still accounting for U.S. national security needs.
- American farmers and producers will immediately benefit from the deal with Japan's commitment to purchase \$8 billion of U.S. agricultural goods, including corn, soybeans, fertilizers, bioethanol, and sustainable aviation fuel.
- Japan will make stable and long-term incremental purchases of U.S. energy, including liquified natural gas, totaling \$7 billion per year.
- Japan will expedite implementation of a 75% increase in purchases of American rice.
- Japan will now recognize U.S. automotive standards and lift longstanding restrictions on U.S. car and truck imports, creating billions of dollars in increased market access for U.S. automakers.
- Japan will provide Clean Energy Vehicle Introduction Promotion Subsidies for American cars.
- Under the framework agreement, the United States will apply a baseline 15 percent tariff on nearly all Japanese imports entering the United States, including automobiles and auto parts, with separate sector-specific tariff treatment for steel and aluminum, copper, certain aerospace products, generic pharmaceuticals, generic pharmaceutical ingredients, and unavailable natural resources.

INVESTING IN AMERICA: Japan committed to provide President Trump \$550 billion to invest into the United States towards critical industries of importance to our national and economic security.

- Japan's historic \$550 billion investment commitment to President Trump will be invested in U.S. projects selected by President Trump, creating hundreds of thousands of U.S. jobs, dramatically expanding domestic manufacturing, and securing American prosperity for generations.
- The investments will fund projects in sectors across the United States to advance U.S. national and economic security, including semiconductors, pharmaceuticals, metals, critical minerals, shipbuilding, energy (including pipelines) and artificial intelligence/quantum computing.
- The United States and Japan are committed to enhancing economic and national security alignment to bolster supply chain resilience and innovation through complementary action to address non-market policies of third parties, as well as to combat duty evasion and cooperate on investment security and export controls.

Interest Rates Remain the Same for the Fourth Quarter of 2025

The Internal Revenue Service announced that interest rates will remain the same for the calendar quarter beginning Oct. 1, 2025.

For individuals, the rate for overpayments and underpayments will be 7% per year, compounded daily. Here is a complete list of the rates:

- 7% for overpayments (payments made in excess of the amount owed), 6% for corporations.
- 4.5% for the portion of a corporate overpayment exceeding \$10,000.
- 7% for underpayments (taxes owed but not fully paid).
- 9% for large corporate underpayments.

Under the Internal Revenue Code, the rate of interest is determined on a quarterly basis.

For taxpayers other than corporations, the overpayment and underpayment rate is the federal short-term rate plus 3 percentage points.

Generally, in the case of a corporation, the underpayment rate is the federal short-term rate plus 3 percentage points and the overpayment rate is the federal short-term rate plus 2 percentage points.

The rate for large corporate underpayments is the federal short-term rate plus 5 percentage points.

The rate on the portion of a corporate overpayment of tax exceeding \$10,000 for a taxable period is the federal short-term rate plus one-half (0.5) of a percentage point.

The interest rates announced are computed from the federal short-term rate determined during July 2025. See the revenue ruling for details.

Revenue Ruling 2025-18 PDF announcing the rates of interest will appear in Internal Revenue Bulletin 2025-37, dated Sept. 8, 2025.



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